

LOK SABHA DEBATES

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[English]

Wednesday, March 4, 1992/ Phalguna
14, 1913 (Saka)

THE MINISTER OF STATE IN THE
MINISTRY OF INDUSTRY (PROF. P.J.
KURIEN) (a) to (e). A statement is laid on the
Table of the House.

STATEMENT

*The Lok Sabha met at Eleven of the
Clock*

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

[Translation]

Industries with German Collaboration

*101. SHRI MUMTAZ ANSARI:
SHRI SIMON MARANDI:

Will the PRIME MINISTER be pleased
to state:

(a) whether some German industrial-
ists are keen on setting up some joint
ventures in India;

(b) if so, the details of the negotia-
tions held with them;

(c) the details and locations of the
industries proposed to be set up with Ger-
man collaboration and the share of the
Union Government and the Germans in
each project;

(d) the terms and conditions laid
down in this regard; and

(e) the time by which these projects
are likely to start functioning?

(a) and (b). Policy initiatives liberalising
the provisions and simplifying the proce-
dures relating to foreign investments, as
spelt out in the statement on Industrial Policy
tabled in both Houses of Parliament on
24.7.1991, have generated considerable
interest amongst foreign investors of many
countries including those from Germany.

Delegations of German industrialists/
business men have been visiting India in the
post Policy period to explore possibilities of
further stepping up German investment and
technology transfer into India. To this end,
they have had talks and negotiations with
representatives of Indian industries.

(c) to (e). the details of approved for-
eign collaboration proposals viz., name of
the Indian company, name of the foreign
collaborator, the nature of collaboration and
items of manufacture are published on a
regular basis by the Indian Investment Cen-
tre, New Delhi as a supplement to its Monthly
News Letter. Copies of these publications
are sent regularly to the Parliament Library.

The gestation period of an industrial
project will vary not only from industry to
industry but also from project to project.
Clearance of foreign investment proposals
is also an on-going process. No time sched-
ule can, therefore, be indicated in this re-
gard.

SHRI MUMTAZ ANSARI: Mr. Speaker,

Sir, on 14th February, in Madras, Dr. Hans George Wiek, the Ambassador of Germany, said that if the Uruguay Round of GATT negotiation fails, it will become disastrous for the whole world.

It gives an impression that Germany also bears round the policies spelt out by Mr. Dunkel, the Director-General of GATT. Will our Government accept the policies of Mr. Dunkel and also the conditionalities imposed by him?

MR. SPEAKER: How does it come out of this question?

PROF. P.J. KURIEN: Sir, as you know, this question does not come under the purview of the main question.

SHRI MUMTAZ ANSARI: This is also regarding industries.

MR. SPEAKER: You formulate the question relating to this question.

SHRI MUMTAZ ANSARI: My another supplementary question is this. How many joint ventures will be started in the field of capital goods producing industries and how many of them will be started in our country in the field of consumer goods producing industries?

PROF. P.J. KURIEN: Sir, I do not know what he means. Do you mean that how many will be started in public sector; how many will be started in the private sector or do you want the total number? Or do you want the total investment which will come from abroad? What is your question?

SHRI MUMTAZ ANSARI: What will be the total amount of capital investment? What will be the total number of industries, both in the public sector and in the private sector? And how many capital goods producing industries and consumer goods producing industries will be there?

MR. SPEAKER: Prof. Kurien, how are you going to use this German assistance to develop public, private and other kinds of

industries? You give a broad outline of it.

PROF. P.J. KURIEN: The Government, after the New Industrial Policy, is trying to ensure that adequate investment is made in the industrial sector, especially, in the high priority areas. We have identified the priority areas and have been classified in Annexure-III. Any investment in Annexure-III which are priority areas, are being cleared on automatic basis by the Reserve Bank of India. Already, we have given a number of such approvals. The list is with me. We are encouraging such investments.

With regard to the domestic investment in these areas, the memoranda have been filed in the Secretariat of Industrial Approvals which comes to more than 3500. Most of them are in the core sector and infrastructure sector.

SHRI RAGHUNANDAN LAL BHATIA: Sir, this question is a very general and a broad based question. But I would like to ask the Government whether they are having collaboration with the German industrialists in the field of defence and also other such developed areas where we need the technical knowhow from abroad. I want to know whether defence materials can also be held in the this joint collaboration.

PROF. P.J. KURIEN: I have already made it clear that the Government has announced high priority areas and have put them in Annexure-III. In all those industries which come under Annexure-III, we are permitting automatic clearance.

In other sectors, if there are investment proposals from Germany or any other country, we decide on merit.

SHRI CHANDRA JEET YADAV: The Prime Minister, during his visit to Germany, had elaborate discussions with German industrialists. He also took some of the Indian industrialists along with him. After that, the decisions which have been taken according to the new economic policy and the liberalisation policy, whether they have conveyed to the Government of India that it is

not enough and they would like that the Government should come out with more specific proposals. And also they have made certain specific proposals. Those decisions are pending with the Government.

PROF. P.J. KURIEN: No. Our hon. Prime Minister visited there where he addressed the Indian Industrialists. After that, the German Delegation visited India. They have expressed appreciation over the liberalisation policy; and the Delegation also identified certain areas for investment. There is nothing like that the investors are not satisfied with what we have already done; that can be very clear from the investment proposals which are being cleared after the new policy has been announced. For the benefit of the hon. Members, I would like to say that, after the policy has been announced, we have cleared foreign investment proposals; they are cleared and issued by the Secretariat for Industrial Approval. The clearance was for Rs. 997.63 crores; nearly Rs. 1000 crores. How does he compare it with the corresponding period of the previous year? It is interesting to know that in the corresponding period of the previous year, the investment was only Rs. 72.99 crores; nearly Rs. 73 crores. So, you can know that after the policy announcement, the increase in investment is 14 times more than corresponding period of the previous year. This shows that our policy has been widely welcomed; and not only that, our policy has gone very much to the benefit of the nation that we are getting the much needed foreign exchange through investments.

Most of these investments are in the priority sectors also.

THE PRIME MINISTER (SHRI P.V. NARASIMHA RAO): I would like to add something to which my colleague perhaps has not come to know. In the next two or three days, we are likely to jump from Rs. 900 or Rs. 1000 crores to another Rs. 1000 crores. Very big projects are in the offing; they are more or less at the final stage, yet I cannot say that it has been done, but there is a likelihood of their being cleared; which

means that from Rs. 1000 to Rs. 2000 crores, there will be a wide jump during the next few days.

SHRI DIGVIJAYA SINGH: At least, the Leftists and the JD should support the Industrial Policy.

Improvement of Fiscal management

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*102 **SHRIGEORGE FERNANDES:**
SHRI MOHAN RAWALE:

Will the Minister of **PLANNING AND PROGRAMME IMPLEMENTATION** be pleased to state:

(a) whether the National Development Council met at Delhi in the last week of December, 1991;

(b) if so, whether the steps to improve fiscal management for increasing revenue and reducing expenditure both by the Union and State Governments were also discussed in the meeting; and

(c) if so, the salient features thereof?

THE MINISTER OF STATE OF THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI H.R. BHARDWAJ): (a) Yes, Sir. The 43rd meeting of the National Development Council was held in Delhi on 23rd and 24th December, 1991.

(b) and (c). A statement is laid on the Table of the House.

The question of improving fiscal management for increasing revenue and reducing expenditure has been adequately taken care of in para 91 of the Directional paper entitled "Objectives, Thrusts and Macro Dimensions of the Eighth Plan" which was considered and endorsed by the National Development Council in its meeting held on 23rd and 24th December, 1991. The document was laid on the Table of Lok Sabha on 26th February 1992. The relevant extracts as given in para 91 of the Directional Paper are as follows: